



## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-808, OMB Control No. 3235-0762]

### **Proposed Collection; Comment Request; Extension: Rule 15l-1**

Upon Written Request, Copies Available From:

Securities and Exchange Commission

Office of FOIA Services

100 F Street, NE

Washington, DC 20549-2736

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Rule 15l-1 (17 CFR 240.15l-1), under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Rule 15l-1 established a standard of conduct for broker-dealers and natural persons who are associated persons of a broker-dealer (together, “broker-dealers”) when making a recommendation of any securities transaction or investment strategy involving securities to a retail customer (“Regulation Best Interest”). Regulation Best Interest requires broker-dealers, when making a recommendation of any securities transaction or investment strategy involving securities to a retail customer, to act in the best interest of the retail customer at the time the recommendation is made, without placing the financial or other interest of the broker-dealer or natural person who is an associated person making the recommendation ahead of the interest of the retail customer.

The information that must be collected pursuant to Regulation Best Interest is intended to: (1) improve disclosure about the scope and terms of the broker-dealer’s relationship with the

retail customer, which would foster retail customers' understanding of their relationship with a broker-dealer; (2) enhance the quality of recommendations provided by establishing an express best interest obligation under the federal securities laws; (3) enhance the disclosure of a broker-dealer's conflicts of interest; and (4) establish obligations that require mitigation, and not just disclosure, of conflicts of interest arising from financial incentives associated with broker-dealer recommendations. The information will therefore help establish a framework that protects investors and promotes efficiency, competition, and capital formation.

There are approximately 2,683 respondents that must comply with Rule 15l-1. The aggregate annual burden for all respondents is estimated to be 2,568,434 hours, or 957 hours per respondent (2,568,434 hours/2,683 respondents). Under Rule 15l-1, respondents will also incur cost burdens. The aggregate annual cost burden for all respondents is estimated to be \$12,085,860, or \$4,505 per respondent (\$12,085,860/2,681 respondents).

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information will have practical utility; (b) the accuracy of the Commission's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing by **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street, NE, Washington, DC 20549, or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: July 13, 2022

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2022-15314 Filed: 7/18/2022 8:45 am; Publication Date: 7/19/2022]